

FISCAL NOTE

HB 467 - SB 1206

March 4, 1997

SUMMARY OF BILL: Amends the retirement law by providing for full retirement benefits to Group 1 members who are teachers and Group 2 members who are firefighters or law enforcement officers upon attaining age 50 with 25 years of creditable service.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$63,262,000 Annual Amortized Cost
Increase Local Govt. Expenditures* - \$26,955,000 Annual Amortized Cost
\$990,000/Permissive Annual Amortized

Cost

Other Fiscal Impact - Increase Federal/Other Expenditures - \$123,000 Annual Amortized Cost

Estimate assumes:

- Total lump sum liability to state government of \$433,420,000
- Total lump sum liability for local government employees of \$4,110,000 which is optional
- Annual amortized cost assumes a 20-year amortization of the lump sum liability
- K-12 teachers assumes a 70%--30% ratio between state and local funding

*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director